



GALLOWAY GAZETTE

Purchasing Prior Service Time into the Public Safety Personnel Retirement System

by: Chris Hoerchler



Most everyone has heard that prior active military service time can be purchased into the Public Safety Personnel Retirement System (PSPRS). However, everyone may not be aware of other eligible prior service time. Basically, any prior out of state fire, police, or EMS service may be eligible to be purchased into PSPRS. In addition, there is certain civilian service time from a state, county, or municipality that may be eligible to purchase.

For example, teachers and detention officers can purchase their prior service time. Phoenix Police Officers can purchase academy time (as their police recruits are not classified as sworn officers during the academy). Also, the Phoenix Fire Department pre-recruit/redshirt time can be purchased into the retirement system.

There are three factors that contribute to determining the price of your purchase. 1, Years of PSPRS credited service; 2, The amount of compensation you received in the last 26 pay periods (1 Year) immediately prior to your purchase;

3, Your age at the time of purchase.

Purchasing prior service time can be a complicated task. The purchase price can vary greatly depending on several factors. There are cost savings measures you can take to reduce the price of your purchase.

1. Take all of your overtime in compensatory time rather than paid overtime for one year prior to purchase.

2. Be very careful not to purchase a block of time that encompasses an anniversary date, such as your 20th or 25th anniversary.

3. The best and most cost effective way to purchase prior service is to use your deferred compensation monies in your qualified retirement account. Transferring the amount of your purchase from qualified account directly into PSPRS, will avoid taxation on this money, thus providing a tax savings.

Please feel free to contact any one of our investment advisor representatives to take advantage of our expertise and guidance with any of your prior service time purchase questions.

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Giving Back

The First Annual Chili Cook-Off, presented by the United Phoenix Firefighters local 493 and Tim & Willy, was held on March 9, 2008. Proceeds went to the The United Phoenix Firefighters Saver-Kids Program. Galloway Asset Management, LLC was a proud sponsor of the event and also the Tempe Firefighter's cooking team. Each team presented their own theme and unique chili recipe. Among the chili judges were local television personalities, Phoenix City Council Members, and Phoenix Fire Department Command Staff. In addition to the prizes and awards presented for the best tasting chili, there were awards and recognition for the best recipe and theme. Go to saverkids.org to learn more and get involved in future events.





Is DROP Going Away?

by Mike Galloway

There has been a rash of questions lately about whether or not the DROP program is going away. As a member of the Public Safety Personnel Retirement System Fund Manager Board, I can assure you there is no current movement to eliminate the DROP program by the pension system. There was a legislative bill sponsored last year

that would have eliminated DROP, but that bill died. The pension board recently voted to keep the current DROP interest rate at 8.5% for the 2008 calendar year.

If you have any questions, you can reach PSPRS at 602.255.5575 or link thru to the pension system website via www.galloway911.com. Feel free to contact me personally with questions or concerns at 480.325.8668.

Mike Galloway is an investment advisor representative with Galloway Asset Management, LLC.

Employee Spotlight

August Schmidt graduated from Auburn University in 1997



with a Bachelors of Social Science Education. Following several years as a high school government and economics

teacher, he moved to California and studied graduate level business and economics at San Diego State University. In 2002 he moved to Arizona and continued his education at Northern Arizona University, graduating with a Masters of Education with an emphasis in business.

August joined the Galloway Asset Management team in 2006. He is highly knowledgeable on Deferred Compensation, The Public Safety Personnel Retirement System and the Deferred Retirement Option Plan (DROP).

When not at police stations or fire stations meeting clients, August continues to enjoy his passion for Rugby and improving his accuracy on the range as a member of the Scottsdale Gun Club.



Mesa Fire Department Honor Guard Pipes and Drums

Galloway Asset Management, LLC recently sponsored the United Mesa Fire Fighter's Annual Honor Bash hosted at Molly Brannigans in Mesa. Firefighters from Mesa, Gilbert, Apache Junction and the Salt River Pima-Maricopa Indian

Community enjoyed mixing and mingling with fellow firefighters and their families. The Mesa Fire Department Honor Guard Pipes and Drums provided entertainment. The Honor Bash was a great way to celebrate the accomplishments of the year.

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